

FWO audits 33 Domino's stores

7 September 2018

The Fair Work Ombudsman is calling on Domino's head office to take action after finding breaches of workplace law across 19 stores in Brisbane, Sydney, Melbourne and Adelaide.

In the compliance activity, some Domino's stores were selected for audits due to reported workplace issues. Others were randomly selected to test the overall national level of compliance.

Inspectors interviewed 144 Domino's workers and analysed 874 employee records at 33 stores across a one-month period. Inspectors discovered 20 workers had been underpaid a total of \$1,978 in the one month.

In addition to underpayments, other workplace breaches found at Domino's stores included non-payment for hours worked, delivery allowance, leave entitlements, unauthorised deductions, and record keeping breaches.

Inspectors issued 17 formal cautions, which puts a business on notice that future non-compliance could result in the FWO seeking financial penalties. Inspectors also issued four compliance notices that detail breaches of workplace laws and how to resolve them.

Only four stores were found to be fully compliant with workplace laws. Investigations are continuing into ten stores owned by one franchisor.

Fair Work Ombudsman Sandra Parker said the results highlighted systemic issues within the Domino's network.

"The Fair Work Ombudsman has worked with Domino's head office for several years to try to promote a culture of workplace compliance."

"While Domino's have made some improvements to their processes, they should be closely monitoring their stores to ensure employees are being paid correctly," Ms Parker said.

"We expect better from a major network like Domino's – it should not be up to the Fair Work Ombudsman to find and alert businesses to the systemic issues identified."

Ms Parker said that recent law changes mean franchisors can now be held liable for workplace breaches by businesses in their networks.

"It is in head office's best interests to set clear expectations with their stores, provide them with comprehensive training and support and regularly check that workplace laws are complied with," Ms Parker said.

The audits found a large number of vulnerable employees working at Domino's stores. Of employees whose details were provided, 72 per cent were under 25 years of age and 48 per cent were visa holders.

The activity found that 65 per cent of franchisees audited were from non-English speaking backgrounds and possessed minimal knowledge or experience of Australian workplace laws.

Young workers and visa holders are particularly vulnerable to workplace exploitation due to a lack of awareness of workplace rights and a reluctance to seek help.

"The Fair Work Ombudsman will continue to closely monitor Domino's across its network by responding to requests for assistance and assessing any intelligence we receive," Ms Parker said.

In addition, the Fair Work Ombudsman will commence a further compliance activity of Domino's within 12 months.

"This activity will involve unannounced site visits to Domino's stores to determine whether head office has taken reasonable steps to prevent, detect and address non-compliance within its network," Ms Parker said.

"We recommend that Domino's immediately commence a review of the pay and entitlements of all employees across its network, including at both franchisor and franchisee owned stores."

"We also call upon Domino's to publish the findings of these audit activities so that consumers can be confident their stores are complying with workplace law."

Any Domino's workers with concerns should contact the Fair Work Ombudsman via www.fairwork.gov.au or by calling the Fair Work

Infoline on 13 13 94. An interpreter service is available on 13 14 50 and information on the website is translated into 40 languages.

The activity report is available at www.fairwork.gov.au

Background

Domino's is the largest pizza chain in Australia and the largest franchisee for the Domino's Pizza brand in the world outside the USA. In 2017, Domino's generated a total revenue of \$1.073 billion including sales and other revenue.

During the time of this Fair Work Ombudsman audit, Domino's operated in 662 locations in Australia.

In preceding years, the FWO and Domino's entered into two compliance partnerships, covering the periods 2011-13 and 2014-16.

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Read the [Domino's Compliance Activity Report \(www.fairwork.gov.au/reports/dominos-compliance-activity-report/dominos-compliance-activity-report\)](http://www.fairwork.gov.au/reports/dominos-compliance-activity-report/dominos-compliance-activity-report) (PDF 721.8KB) (<https://www.fairwork.gov.au/ArticleDocuments/1427/dominos-combined-pcd-report.pdf.aspx>)

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Fair Work Infoline: 13 13 94

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